

**Beaver County Office of the  
Register of Wills and  
Clerk of Orphans' Court**

**Audit Report for the Period  
January 1, 2006 through December 31, 2007**

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DAVID A. ROSSI  
CONTROLLER



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BEAVER COUNTY COURTHOUSE  
THIRD STREET – BEAVER, PENNSYLVANIA 15009-2196  
TELEPHONE: Area Code 724-728-5700

December 9, 2008

Ms. Carol Ruckert Fiorucci  
Office of the Register of Wills  
and Clerk of Orphans' Court  
Beaver County Courthouse  
Beaver, PA 15009

Dear Ms. Fiorucci:

We have audited the financial records of the Beaver County Office of the Register of Wills and Clerk of Orphans' Court for the period January 1, 2006 through December 31, 2007. Based upon the audit we have issued our report thereon dated December 9, 2008, the last day of fieldwork.

We conducted our audit in accordance with generally accepted governmental auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial records are free of material misstatement.

Based upon our review of the Register of Wills and Clerk of Orphans' Court records, we have made observations and recommendations as detailed in this report.

*David A. Rossi*

David A. Rossi,  
Beaver County Controller

**SCOPE:**

The scope of this audit encompassed the period from January 1, 2006 to December 31, 2007.

**OBJECTIVES:**

Through the completion of an Internal Control Questionnaire, control tests, substantive tests, and observation, the following audit objectives were accomplished for this audit:

- Prepare a financial statement for each year reviewed
- Evaluate controls over the office checking accounts and change fund
- Ensure that funds are deposited timely
- Ensure that funds received are disbursed to the proper payees
- Ensure that funds held in escrow are adequate
- Ensure that funds receipted are applied to the proper case
- Ensure that costs are properly applied
- Ensure that funds due to the Commonwealth are remitted correctly and in a timely manner
- Ensure that void receipts are voided for a valid reason
- Ensure that proper documentation is maintained in the case files
- Evaluate the controls over cash
- Evaluate the controls over purchasing and the administration of the budget
- Evaluate controls over general office procedures

**Register of Wills / Clerk of Orphan's Court  
Statement of Cash Receipts and Disbursements  
For Year Ended December 31, 2006**

**Beginning Cash Balance (1/1/06):**

General Bank Account	23,193.95	
Inheritance Tax Funds on Hand	<u>12,669.65</u>	
		<b>\$35,863.60</b>

**Receipts:**

Inheritance Tax Collections		\$6,005,091.35	
Register of Wills			
Fees Collected for Beaver County	165,253.06		
Inheritance Tax Commission	47,882.82		
Fees Collected for the Commonwealth	6,650.00		
County Automation Fees	<u>3,325.00</u>		
		\$223,110.88	
Clerk of Orphan's Court			
Fees Collected for Beaver County	52,026.85		
Fees Collected for the Commonwealth	23,210.00		
County Automation Fees	<u>5,935.00</u>		
		<u>\$81,171.85</u>	
Total Receipts			<b>\$6,309,374.08</b>

**Disbursements:**

PA Department of Revenue			
Inheritance Tax	(5,944,160.77)		
Fees	<u>(30,020.00)</u>		
		(\$5,974,180.77)	
Beaver County Treasurer			
Fees Collected for Beaver County	(221,755.86)		
Inheritance Tax Commission	(47,882.82)		
County Automation	<u>(9,355.00)</u>		
		<u>(\$278,993.68)</u>	
Total Disbursements			<b>(\$6,253,174.45)</b>

**Adjustments:**

Miscellaneous Adjustments		<u>(\$32.75)</u>	
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**Ending Cash Balance (12/31/06):**

General Bank Account	18,430.25		
Inheritance Tax Funds on Hand	<u>73,600.23</u>		
			<b><u>\$92,030.48</u></b>

**Register of Wills / Clerk of Orphan's Court**  
**Statement of Cash Receipts and Disbursements**  
**For Year Ended December 31, 2007**

**Beginning Cash Balance (1/1/07):**

General Bank Account	18,430.25	
Inheritance Tax Funds on Hand	<u>73,600.23</u>	
		<b>\$92,030.48</b>

**Receipts:**

Inheritance Tax Collections		7,689,523.23	
Register of Wills			
Fees Collected for Beaver County	171,745.68		
Inheritance Tax Commission	52,505.19		
Fees Collected for the Commonwealth	7,520.00		
County Automation Fees	3,760.00		
**Caveat Bond	<u>500.00</u>		
		236,030.87	
Clerk of Orphan's Court			
Fees Collected for Beaver County	52,070.97		
Fees Collected for the Commonwealth	23,061.00		
County Automation Fees	<u>5,950.00</u>		
		<u>81,081.97</u>	
Total Receipts			<b>\$8,006,636.07</b>

**Disbursements:**

PA Department of Revenue			
Inheritance Tax	(7,719,105.73)		
Fees	<u>(30,345.50)</u>		
		(7,749,451.23)	
Beaver County Treasurer			
Fees Collected for Beaver County	(225,930.65)		
Inheritance Tax Commission	(52,505.19)		
County Automation	<u>(9,655.00)</u>		
		<u>(288,090.84)</u>	
Total Disbursements			<b>(\$8,037,542.07)</b>

**Adjustments:**

Miscellaneous Adjustments		<u>(\$75.00)</u>
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**Ending Cash Balance (12/31/07):**

General Bank Account	17,031.75	
Inheritance Tax Funds on Hand	<u>44,017.73</u>	
		<b><u>\$61,049.48</u></b>

**Register of Wills and Clerk of Orphans' Court**  
**Notes to the Statement of Cash Receipts and Disbursements**

Note 1: Summary of Significant Accounting Policies - The Register of Wills and Clerk of Orphans' Court reports on the cash basis of accounting. Under the cash basis of accounting revenues are recognized when received and expenses recognized when the disbursement is made.

Note 2: General Account - The general account of the Register of Wills and Clerk of Orphans' Court is utilized for all filing fees collected. [Inheritance Tax Receipts are deposited into a separate Inheritance Tax Account]. At the beginning of each month checks are issued to the County and the PA Department of Revenue from this checking account. These disbursements include all the receipts for the prior month.

Note 3: Inheritance Tax Account - This account is a local account which was approved and established in the name of the Department of Revenue. Inheritance Tax collections are considered disbursed once deposited into this account. The account is not a County account and the elected Beaver County official cannot withdraw or control the funds. Withdrawals are automatically transferred by the state every few days and the County later receives a "commission" from the state for providing the service of tax collection.

Note 4: Inheritance Tax Commission - The Register of Wills receives a monthly commission for acting as an agent to the Commonwealth of Pennsylvania for the purpose of collecting Inheritance Taxes. The commission rates and limits are determined in accordance with Act 207 of 1986, effective with tax collections made on and after January 1, 1988. The commission rates are 4.25% of \$1.00 to \$200,000 collected; 1.75% of \$200,001 to \$1,000,000 collected; and .5% of all collections in excess of \$1,000,000.

Note 5: Automation Fee - The Register of Wills Automation Fee was established in January 2003 in order to provide funds to update and enhance their electronic records and equipment. The funds are transferred to the County Treasurer who maintains the funds in a separate checking account for use by the Registers Office. (Sky Bank, Account Number 4601773628)

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December 9, 2008

Ms. Carol Ruckert Fiorucci  
Office of the Register of Wills  
and Clerk of Orphans' Court  
Beaver County Courthouse  
Beaver, PA 15009

Dear Ms. Fiorucci

Report on Internal Control Structure

We have audited the records of the Beaver County Office of the Register of Wills and Clerk of Orphans' Court for the period January 1, 2006 to December 31, 2007, and have issued our report thereon dated December 9, 2008.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial records are free of material misstatement.

In planning and performing our audit of the Beaver County Register of Wills and Clerk of Orphans' Court for the period January 1, 2006 to December 31, 2007, we considered the office's internal control structure to determine our auditing procedures for the purpose of expressing our opinion on the financial records and the office's compliance with applicable regulations and not to provide assurance on the internal control structure.

The management of the Register of Wills and Clerk of Orphans' Court is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and



judgements by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of the financial statements in accordance with prescribed policies. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, future reliance on any evaluation of the structure, past or current, is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

For the internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation. Additionally, we assessed control risk for the internal control structure. Compliance with applicable laws and regulations was considered when assessing control risk for the internal control structure.

We noted certain matters involving the internal control structure and its operation that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect the county office's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial records.

A material weakness is a reportable condition in which the design or operation of one or more of the specific internal control structure elements do not reduce, to a relatively low level, the risk that material errors or irregularities affecting the financial records being audited may occur and not be timely detected by employees in the normal course of performing their assigned functions.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are considered to be material weaknesses as defined above.

The following two conditions were noted:

- Two Orphans' Court fees programmed into the Register of Will's Infocon computer system were incorrect.
- Improvement was needed in the procedures for manual receipts used during periods of computer downtime.

For further elaboration of these two conditions refer to the "Observations and Recommendations" section of this audit report.

This report is intended solely for the information and use of the Office of the Controller, management, and others within the administration. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

David A. Rossi

David A. Rossi  
Beaver County Controller

## **OBSERVATIONS AND RECOMMENDATIONS**

### **Observation 1: Transaction Listings Incorrect**

A new Fee Schedule was issued and new fees became effective January 2, 2006. <Pg 5-239 & 5-240> These fees were checked against current Transaction Listings programmed into the Beaver County Register of Wills and Clerk of Orphans' Court Infocon computer system. <Pg 5-234 thru 5-238> Two Orphans' Court items, Item #150 – Estate Settlement Agreement and Item #44 – Family Settlement Agreement, were found to be incorrect. These items were not increased when the new fee schedule took effect on 1/2/2006. The Estate Settlement Agreement and Family Settlement Agreement should have increased from \$25 to \$50. Fees were not charged for these two Items under Orphans' Court in either 2006 or 2007; however, these two Items were updated correctly and charged correctly under Register of Wills.

#### **Audit Recommendation:**

It is recommended that the Transaction Listing report be reviewed periodically to insure the proper fees are entered into the Infocon system for both Register of Wills and Orphans' Court. This should always be reviewed when a new fee schedule is entered into the system. Item #150 – Estate Settlement Agreement and Item #44 – Family Settlement Agreement for Orphans' Court were corrected in Infocon on October 16, 2008 to reflect the amount listed on the Fee Schedule>. <Pg 5-231>

### **Observation 2: Manual Receipt Procedures**

Upon reviewing Manual Receipt Procedures it was noted that the Manual Receipt Log is not kept under lock and key for safe guarding, Manual Receipt numbers are not being referenced on computer generated receipts, and copies of Manual Receipts are not being attached to computer generated receipts for filing purposes.

<Pg 5-242>

**Audit Recommendation:**

It is recommended that the Manual Receipt Log be kept under lock and key and brought out only when needed. Manual Receipt copies should be attached to computer generated receipts and filed properly. Manual Receipt numbers should be recorded on computer generated receipts to allow for better cross referencing controls.

An exit conference was held on December 9, 2008 for the purpose of discussing the items presented in this report. Those in attendance were:

The Register of Wills and Clerk of Orphans' Court

Carol Ruckert Fiorucci – Register of Wills and Clerk of Orphan's Court

Beaver County Controller's Office

Shannon L. Hebb - Auditor

The results of the audit were discussed in there entirety during this conference.

An Audit Response Form has been submitted to The Register of Wills and Orphans' Court for completion. This form restates all findings noted in the Audit. All responses will be incorporated into the Final Audit and become a part of said Report. As part of the Office of the Controller's normal reporting procedure, a copy of this report will be posted in the Controller's section of the Beaver County website.

**THE OFFICE OF THE BEAVER COUNTY REGISTER OF WILLS  
AND CLERK OF ORPHANS' COURT  
AUDIT RESPONSES  
FOR THE PERIOD JANUARY 2006 THROUGH DECEMBER 2007**

**The Office of the Beaver County Register of Wills  
and Clerk of Orphans' Court**

**Audit Responses**

**January 2006 Through December 2007 Audit**

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**THE OFFICE OF THE BEAVER COUNTY REGISTER OF WILLS  
AND CLERK OF ORPHANS' COURT**

**AUDIT RESPONSES**

**FOR THE PERIOD JANUARY 2006 THROUGH DECEMBER 2007**

**Summary Of Observations:**

**Observation 1: Transaction Listings Incorrect**

A new Fee Schedule was issued and new fees became effective January 2, 2006. Fees were checked against current Transaction Listings from The Beaver County Register of Wills and Clerk of Orphans' Court. Two Orphans' Court items, item #150 – Estate Settlement Agreement and item #44 – Family Settlement Agreement, were found to be incorrect. These items were not increased when the new fee schedule took effect on 1/2/2006. The Estate Settlement Agreement and Family Settlement Agreement should have increased from \$25 to \$50.

**Audit Recommendation:**

It is recommended that the Transaction Listing report be reviewed periodically to insure the proper fees are entered into the Infocon system. This should always be reviewed when a new fee schedule is entered into the system. Item #150 – Estate Settlement Agreement and Item #44 – Family Settlement Agreement were corrected on October 16, 2008 to reflect the amount listed on the Fee Schedule.

**Response:**

**The changes were made when they were pointed out. Attached is a copy.**

**The Office of the Beaver County Register of Wills  
and Clerk of Orphans' Court  
Audit Responses  
January 2006 Through December 2007 Audit**

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**Observation 2: Manual Receipt Procedures**

Upon reviewing Manual Receipt Procedures it was noted that the Manual Receipt Log is not kept under lock and key for safe guarding, Manual Receipt numbers are not being referenced on computer generated receipts, and copies of Manual Receipts are not being attached to computer generated receipts for filing purposes.

**Audit Recommendation:**

It is recommended that the Manual Receipt Log should be kept under lock and key and brought out only when needed. Manual Receipt copies should be attached to computer generated receipts and filed properly. Manual Receipt numbers should be recorded on computer generated receipts to allow for better cross referencing controls.

**Response:**

The procedure is in place. The manual receipts are currently in a locked filing cabinet.



**The Office of the Beaver County Register of Wills  
and Clerk of Orphans' Court**

**Audit Responses**

**January 2006 Through December 2007 Audit**

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Signature Of Elected Official:

*Carol Ruckert Furman*

Date:

*12/09/08*

Trans Code	Description	Default Amount	Chg Amt	Default Payee	Chg Pno	On Hold?	Dir Dep
2 0	WILL (EXTRA PAGES)	2.00	N	501	N	N	N
6	BIRTH CERTIFICATE	4.00	Y	501	N	N	N
15 0	PETITION FOR ADOPT	100.00	Y	501	N	N	N
16 0	PET INVOL TERM P R	25.00	Y	501	N	N	N
17 0	PET VOL RELINQ P R	25.00	Y	501	N	N	N
18 0	PET TO CONF CONSEN	25.00	Y	501	N	N	N
19 0	REPRT OF INT ADOPT	75.00	N	501	N	N	N
30 0	JCS/ATJ	10.00	N	502	N	N	N
33 0	ANNUAL RPT GRD EST	.00	Y	501	N	N	N
34 0	CAVEAT	50.00	Y	501	N	N	N
35 0	CITATION	25.00	Y	501	N	N	N
36 0	PET EST PA BIRTH	10.00	Y	501	N	N	N
37 0	CLAIM	25.00	Y	501	N	N	N
41 0	ELECTION TO TAKE	25.00	Y	501	N	N	N
42 0	EXCEP/OBJ TO ACCT	25.00	Y	501	N	N	N
44 0	FAMILY SETTLE AGREE	50.00	Y	501	N	N	N
45 0	FIRST & FINAL ACCT	.00	Y	501	N	N	N
46 0	GUARDIAN SHORT	5.00	Y	501	N	N	N
4 0	PETITION ADJ INCAP	25.00	Y	501	N	N	N
50 0	MARRIAGE LIC FEE	19.50	N	501	N	N	N
50 1	MARRIAGE LIC WRIT	.50	N	502	N	N	N
50 2	MARRIAGE LIC 151	10.00	N	502	N	N	N
50 3	MARRIAGE LIC 222	10.00	N	502	N	N	N
51 0	PET APT GRN MINOR	25.00	Y	501	N	N	N
52 0	PET SETTLE SM ESTAT	50.00	Y	501	N	N	N
54 0	PET APT GRD AD LIT	25.00	Y	501	N	N	N
56 0	COPIES	.50	Y	501	Y	N	N
57 0	DECREE	2.00	Y	501	N	N	N
58 0	DISCLAIMER	5.00	Y	501	N	N	N
60 0	PETITION	25.00	Y	501	N	N	N
64 0	PRAECIPE FOR APPR	5.00	Y	501	N	N	N
68 0	SATISFACTION CLAIM	15.00	Y	501	N	N	N
69 0	REPORT OF INTERMED	10.00	Y	501	N	N	N
72 0	CC-M/LIC	5.00	Y	501	N	N	N
75 0	NSF REIMBURSEMENT	10.00	Y	501	N	N	N
9 0	WAIVER	5.00	Y	501	N	N	N
99 0	SUBPOENA	5.00	Y	501	N	N	N

Trans Code	Description	Default Amount	Chg Amt	Default Payee	Chg PnO	On Hold?	Dir Dep
150 0	EST SET AGREEMENT	50.00	Y	501	Y	N	N
151 0	DOCKET RECEIPT	5.00	Y	501	N	N	N
152 0	EXEMPLIFICATION	30.00	Y	501	N	N	N
153 0	PET. FOR ALLOWANCE	25.00	Y	501	N	N	N
154 0	GUARDIAN INVENTORY	10.00	Y	501	N	N	N
158 0	PET BOND REDUCTION	25.00	Y	501	N	N	N
159 0	TRUST INTER VIVOS	25.00	Y	501	N	N	N
179 0	CC ORDER	2.00	Y	501	N	N	N
180 0	TRANSCRIPT COPIES	.00	Y	501	N	N	N
181 0	MISCELLANEOUS	.00	Y	501	N	N	N
182 0	NOTICE OF APPEAL	50.00	Y	501	N	N	N
293 0	HOME VISITS	10.00	Y	501	N	N	N
294 0	RESEARCH FEE	4.00	Y	501	N	N	N
301 0	COUNTY AUTO FEE	5.00	Y	501	N	N	N
306 0	PRA FOR WITHDRAWL	5.00	Y	501	N	N	N
501 0	MISCELLANEOUS	.00	Y	501	Y	N	N
501 5	MISC. INCOME	.00	Y		Y	N	N
502 0	INTEREST INCOME	.00	Y	501	N	N	N
503 0	COMMISSION CREDIT	.00	Y	501	N	N	N
504 0	COMMISSION DEBIT	.00	Y	501	N	N	N
505 0	REFUND	.00	Y		Y	N	N
511 0	BANK ADJUSTMENT	.00	Y	501	Y	N	N
512 0	PRIOR REPT CR ADJ	.00	Y		Y	N	N
513 0	PRIOR REPT DB ADJ	.00	Y		Y	N	N
514 0	AUDIT CREDIT ADJ	.00	Y		Y	N	N
515 0	AUDIT DEBIT ADJ	.00	Y		Y	N	N
522 0	MISC. INCOME	.00	Y	501	N	N	N
522 5	MISC INCOME	.00	Y	501	N	N	N
551 0	PAYMENT CASH	.00	Y		Y	N	N
552 0	PAYMENT CHECK	.00	Y		Y	N	N
553 0	PAYMENT MONEY ORDR	.00	Y		Y	N	N
555 0	PYMT/CREDIT CRD	.00	Y		Y	N	N
556 0	PYMT/DEBIT CARD	.00	Y		Y	N	N
557 0	PYMT/ELECT.XFER	.00	Y		Y	N	N
558 0	BANK CREDIT	.00	Y		Y	N	N
560 0	VOID RECEIPT	.00	Y		Y	N	N
565 0	DISBURSEMENT	.00	Y		Y	N	N